



HEADQUARTERS, NEW JERSEY NATIONAL GUARD  
NEW JERSEY DEPARTMENT OF MILITARY AND VETERANS AFFAIRS  
HUMAN RESOURCES OFFICE  
3650 SAYLORS POND ROAD  
FORT DIX, NEW JERSEY 08640-7600



J-1

16 August 2005

SUBJECT: HR POLICY 01-2005 Retention Incentive

1. **AUTHORITY.** 5 USC 5754 and 5 CFR 575, Subpart C.
2. **EFFECTIVE DATE:** This policy is effective 13 May 2005 and supersedes any previous retention incentive policies.
3. **PURPOSE.** This local policy supplements and interprets government wide directives on retention incentives for Federal technicians (Dual status and Non-Dual status) within the New Jersey National Guard. A retention incentive may be paid to a current employee if the unusually high or unique qualifications of the employee or a special need of the agency for the employee's services makes it essential to retain the employee, and the agency determines that the employee would be likely to leave in the absence of the retention incentive.
4. **POLICY.** It is the policy of The Adjutant General (TAG) of New Jersey that all technicians are compensated fairly and in accordance with applicable laws and regulations. All actions under this plan will be made without discrimination for non-merit reasons such as race, color, religion, national origin, marital status, membership or non-membership in an employee organization, and age or non-disqualifying physical handicap.
5. **SCOPE.** This policy encompasses all employees in the New Jersey National Guard Technician Program. It provides procedures for requesting and approving retention incentives for technicians in accordance with 5 USC, 5 CFR and NGB guidance. Should any conflicts arise; the law and OPM regulations will have precedence.
6. **RESPONSIBILITIES.**
  - a. The Adjutant General is the highest level of authority in the State concerning the overall application of this policy. TAG is charged by law with employing Federal technicians and with administering Federal employment including the staffing authorities described in this policy. TAG has delegated authorities to the Director of Human Resources.
  - b. The Human Resource Officer (HRO) is responsible to TAG for ensuring that the requirements by law, regulation, policy, and this regulation are properly applied to actions taken under these delegated authorities. In addition, the HRO is responsible for:
    - (1) Review and approve the payment of the Retention Incentive.

- (2) Providing sufficient staff resources to ensure that delegations are administered effectively and to assist managers and supervisors in the workforce analysis required justifying use of the delegations.
- (3) Ensuring that each manager/supervisor has a copy of the delegations available.
- (4) Reporting on program usage to National Guard Bureau (NGB) annually, as required.
- (5) Taking corrective actions necessary to ensure proper application of these delegations.

7. **ELIGIBILITY.**

- a. Eligible employees must be serving under a permanent appointment to a General Schedule or a prevailing rate position.
- b. Eligible employees must have or maintain a rating of record of at least exceeds standards.
- c. Payment of a retention incentive may not begin during a period of employment established under a service agreement required for payment of a recruitment incentive or relocation incentive. After retention payments have commenced, a relocation incentive may be paid without affecting the payment of the retention incentive.

8. **CRITERIA FOR PAYMENT.** In determining whether a retention incentive should be paid and in determining the amount of any such payment, the Activity Manager will use the matrix at enclosure 1 and consider the following factors:

- a. High or unique qualifications.
- b. The likelihood that the technician would leave the technician program in the absence of the retention incentive.
- c. The success of recent efforts to recruit candidates and retain employees with qualifications similar to those possessed by the employee for positions similar to the position held by the employee
- d. The availability in the labor market of candidates for employment who, with minimal training or disruption of service to the public, could perform the full range of duties and responsibilities assigned to the position held by the employee
- e. Impact on the organization of paying or not paying the incentive.
- f. The employee must sign a service agreement to remain in their current position for one (1) year.

9. **APPROVAL OF RETENTION INCENTIVES FOR GROUPS OR CATEGORIES OF EMPLOYEES.**

- a. Retention incentives of up to 10% of an employee's basic pay may be requested for a group or category of employees based on a written determination that the category of employees has unusually high or unique qualifications, or the agency has a special need for the employees' services that makes it essential to retain the employees in that category, and that it is reasonable to presume that there is a high risk that a significant number of employees in the targeted

category are likely to leave Federal service in the absence of the incentive. Determinations may be based on evidence of extreme labor market conditions, high demand in the private sector for the knowledge and skills possessed by the employees, significant disparities between Federal and private sector salaries, or other similar conditions.

b. All requests for group incentives must be sent to National Guard Bureau for review before being forwarded to the Deputy Assistant Secretary of Defense (Civilian Personnel Policy) for approval. Requests for group incentives of more than 10% of basic pay will require OPM approval in addition to DOD approval.

c. Requests for group retention incentives must include:

- (1) A description of the group or category and number of employees to be covered by the proposed retention incentive.
- (2) A written determination that the group or category of employees meets the criteria listed in section 5a.
- (3) The proposed retention incentive payment percentage and a justification for that percentage.
- (4) The expected duration of retention incentive payments.
- (5) Any other information pertinent to the case at hand.

d. All other criteria and requirements for payment must be met before a retention incentive may be paid to any individual employee or group of employees, under this paragraph.

#### **10. REQUEST AND APPROVAL PROCEDURES.**

a. Any proposed offers for retention incentives will be submitted with justification to the HRO in memo format with any supporting documentation. Requests should be specific as to the recommended amount of the incentive and should address the factors listed in Section 4-4 as well as a description of the extent to which the employee's departure would effect the agency's ability to carry out an activity or perform a function that is deemed essential to the agency's mission.

b. The Human Resource Officer will consider justified requests. Approval is contingent upon the availability of funds and justification.

#### **11. PAYMENT.**

a. A retention incentive shall be calculated up to 25 percent of pay, including special rate or locality pay. Payment may be made in 1) installments after completion of specified periods of service (biweekly, monthly, quarterly, etc) OR a single lump-sum payment after the completion of the full service period required by a service agreement. The amount will be determined on a case-by-case basis. It shall not be considered part of an employee's rate of basic pay for any purpose. Payment of a retention incentive does not affect the payment of locality pay.

b. Payment of a retention incentive may be continued as long as the conditions giving rise to the original determination to pay the incentive still exist. However, at least annually, managers or supervisors of employees receiving retention incentives must submit written justification for continuation of payment through channels to the HRO. Each request to continue to pay an

incentive will be reviewed to determine whether the payment is still warranted. The HRO will certify this determination in writing.

12. **REDUCTION OR TERMINATION**. The HRO may reduce or terminate payment of a retention incentive when it is determined that:

- a. A lesser amount (or none at all would be sufficient to retain the employee)
- b. Labor market factors make it more likely (or reasonably likely) to recruit a candidate with qualifications similar to those possessed by the employee
- c. The agency's need for the services of the employee has been reduced to a level that makes it unnecessary to continue payment at the level originally approved (or at all)
- d. Budget considerations preclude continued payment
- e. Employee demotion or separation for cause.
- f. The employee receives a rating of record of less than Exceeds standards.
- g. The employee fails to fulfill the terms of the service agreement.

13. Questions should be directed to CW2 Michele Thomas (609)562-0872.

FOR THE ADJUTANT GENERAL

SHAWN P. KEYES  
COL, GS, NJARNG  
Asst Chief of Staff, J1

### Retention Incentive Matrix

This matrix is to be submitted with each application for a retention incentive by the technician's supervisor, through the Activity Manager to the HRO. Each box checked will need written justification. Not all boxes need to be checked.

1. The following technician \_\_\_\_\_ SSN \_\_\_\_\_ meets the qualifications for a retention incentive:

- ☐ a. High or unique qualifications:
- ☐ b. Special need of the NJNG for the technicians services:
- ☐ c. Is the employee likely to leave the technician programming in the absence of the retention incentive:
- ☐ d. Performance appraisal of exceed standards
- ☐ e. The success of recent efforts to recruit candidates and retain employees with qualifications similar to those possessed by the employee for positions similar to the position held by the employee:
- ☐ f. Efforts to use non pay authorities to help retain the employee instead of or in addition to a retention incentive, such as special training and work scheduling flexibilities, or improving working conditions.
- ☐ g. Employment trends and labor market factors such as the availability and quality of candidates in the labor market requiring the competencies for the position.
- ☐ h. The desirability of the duties, work or organizational environment, or geographic location of the position.
- ☐ i. The salaries typically paid outside the government.
- ☐ j. Other supporting factors

2. Based on the above criteria, I recommend the above employee for a \_\_\_\_ % retention bonus. Final percentage will be made by the HRO on availability of funds at that time.